

SENATE BILL 2129

By Berke

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 29 and Title 50, Chapter 7, to enact the "Tennessee Works Act of 2012."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act shall be known and may be cited as the "Tennessee Works Act of 2012".

SECTION 2. Tennessee Code Annotated, Title 50, Chapter 7, is amended by adding the following language as a new part:

50-7-801.

There is hereby established the Tennessee Works program to provide job training designed to attract new business, assist in the expansion of business, and retain existing business in this state.

50-7-802.

The purpose of the Tennessee Works program is to:

(1) Enhance the state's economic growth and vitality by offering assistance to privately owned businesses and industries in training a new work force, retraining existing employees to implement new technologies, creating new jobs, and retaining and upgrading existing jobs;

(2) Provide technical education and training as a component of the state's economic development efforts; and

(3) Be flexible and responsive to the training needs of business and industry in Tennessee.

50-7-803.

(a) The department of labor and workforce development shall administer the Tennessee Works program.

(b) The commissioner of labor and workforce development shall:

(1) Promulgate rules and regulations relative to the administration of this part;

(2) Establish a grant review committee consisting of the following:

(A) The commissioner of labor and workforce development, or his or her designee;

(B) The commissioner of economic and community development, or his or her designee;

(C) The chancellor of the board of regents, or his or her designee;

(D) One (1) member representing labor, appointed by the governor;

(E) Three (3) members representing business and industry, appointed by the governor;

(F) One (1) senator, appointed by the speaker of the senate; and

(G) One (1) representative, appointed by the speaker of the house of representatives.

(c) The grant review committee shall make recommendations to the commissioner of labor and workforce development concerning the award of training grants to businesses.

(d) The commissioner of labor and workforce development, or his or her designee, shall call the first meeting and serve as chair of the committee.

(e) Except for the commissioners and chancellor, or their respective designees, who serve by virtue of such member's office, each member shall hold office for a term of

three (3) years or, in the event of a vacancy, until such member's successor is appointed by the original appointing authority. The terms of the members are staggered on the following schedule:

(1) The terms of the members appointed by the governor are due to expire in calendar year 2014 and those appointments shall be made in that year and each third year thereafter; and

(2) The terms of the senator and representative members are due to expire in calendar year 2015 and those appointments shall be made in that year and each third year thereafter.

(f) The senator and representative members shall serve for their full term of office as members of the general assembly and until their successors are selected and qualified if reelected to either house of the general assembly. Members are eligible to succeed themselves as members of the committee.

(g) The initial appointments shall be made for terms to begin no sooner than July 1, 2012.

(h) Any member appointed to fill a vacancy for any unexpired term shall serve the remainder of that term.

(i) The committee shall meet as frequently as the commissioner deems necessary, but not less than once a year.

(j) Committee members shall be reimbursed for travel expenses in accordance with the provisions of the comprehensive travel regulations as promulgated by the department of finance and administration and approved by the attorney general and reporter.

50-7-804.

(a) As used in this part, "grant recipient" means the business entity that receives funds from the department and provides funds to a training provider for purposes of training new and existing employees.

(b) Only those businesses that are physically located or intend to be physically located within the state may receive funds under this part.

(c) Priority in awarding grants shall be given to small businesses for the implementation of technological innovations.

(d) In order to participate in the Tennessee Works program, grant recipients shall match no less than one dollar (\$1.00) for each dollar provided through the grant award. The match funds shall include only those costs extraordinary to the regular employee expenses incurred by the business and shall be directly related to training.

(e) Only those employees who are residents of Tennessee, or who work for a business that is located or intends to locate within the state, shall receive training from grants under this part.

(f) Intent by a business to locate within the state shall be established to the satisfaction of the grant review committee. A minimum requirement for intent to be established shall be:

(1) Proof of substantial investment or a binding contractual obligation consistent with such intent;

(2) The lease or purchase of real estate or equipment within the state necessary for the planned move; or

(3) Such other requirement as may be established under rules adopted by the commissioner of labor and workforce development.

(g) Submission of documents to substantiate proof of intent by a business to locate within the state shall be in accordance with rules adopted by the commissioner of labor and workforce development.

(h) No grant shall be made to any state entity.

(i) No grant shall be made to any county, city, town, or other political subdivision that is not an employing unit pursuant to part 2 of this chapter.

(j) No grant shall be made to any organization or group of organizations, described in section 501(c)(3) and exempt under section 501(a) of the Internal Revenue Code, that is not an employing unit pursuant to part 2 of this chapter.

50-7-805.

(a) Training programs may include, but shall not be limited to:

- (1) Structured, on-site laboratory or classroom training;
- (2) Basic skills;
- (3) Technical skills;
- (4) Quality improvement;
- (5) Safety;
- (6) Management and supervision; and
- (7) English as a second language.

(b) To be eligible under this part, funds from grant awards shall be used to pay costs necessary and reasonable for the proper and efficient delivery of training to the employees of the grant recipient.

(c) The following costs are not eligible:

- (1) Costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (2) Entertainment costs;

(3) Administrative costs; or

(4) Salaries and wages of employees in training.

(d) Funds for training grants shall supplement, and not replace, funds available through existing programs conducted by the business entity, or other public or private training programs.

(e) The department may use no more than ten percent (10%) of any moneys received from the training fund established in § 50-7-808 to pay for administration of the Tennessee Works program, and ninety percent (90%) of any moneys received from the training fund shall be used for training grants under this part.

50-7-806.

(a) To the extent feasible, training shall be provided by and conducted at community colleges or Tennessee technology centers, which may charge full market value for the training and facilities. When community colleges or Tennessee technology centers cannot provide desired training, the training grant recipient may contract with some other training entity approved by the department.

(b) The training provider shall be specified in any grant award.

50-7-807.

(a) No later than April 1, 2013, the commissioner, in consultation with the grant review committee, shall establish performance criteria. The committee shall submit annually at the end of each fiscal year to the commissioner of labor and workforce development, the commissioner of economic and community development, the governor, the speaker of the senate, the speaker of the house of representatives, the office of budget analysis and the fiscal review committee a report indicating the level of performance, as determined by using the performance criteria, achieved through the program.

(b) The department shall evaluate the performance level for each training grant program provided to a business, and submit such evaluation to the grant review committee.

(c) The grant recipient shall file information required by this section with the commissioner of the department of labor and workforce development.

50-7-808.

There is hereby created in the state treasury a special fund to be known as the "training fund." Commencing January 1, 2013, the moneys in this fund may be used solely as determined by the commissioner of labor and workforce development in accordance with rules and regulations adopted by the commissioner, to the extent such funds are specifically appropriated by the general appropriations act, for funding training under the job training program for economic growth, established by this part. Any revenues deposited in the training fund shall remain in the fund until expended for purposes consistent with this section and shall not revert to the general fund at the end of the fiscal year. Any excess revenues or interest earned by the training fund shall not revert at the end of the fiscal year, but shall remain available for appropriation in subsequent fiscal years. Any appropriation from the training fund shall not revert to the general fund at the end of the fiscal year, but shall remain available for expenditure in subsequent fiscal years.

SECTION 3. The grant review committee created by Section 2 shall be reviewed in accordance with the provisions of § 4-29-118(a).

SECTION 4. The commissioner of labor and workforce development, in consultation with the commissioner of economic and community development, is authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with Tennessee Code Annotated, title 4, chapter 5.

SECTION 5. This act shall take effect July 1, 2012, the public welfare requiring it.